Instructions to Convert Proprietary Funds to a Cash Basis
Net Position Adjustments

To appropriately analyze the fees and rates proposed for internal service and enterprise fund operations, the ending fund balance (net position) and the fund’s net profit or loss will need to be adjusted for the OPEB and pension liabilities. This adjustment will need to be made for your beginning fund balance for FY 2018, as well as amounts charged to the pension and OPEB revenue and expenditure amounts for fiscal years 2018 through 2019.

Note: Accrual amounts are not included in this conversion process, so any amounts from this column need to be excluded.

Step #1 - Back Off Accumulated OPEB and Pension Liability Amounts from Beginning Net Position for 2018:

1) Run the Data Mine Account Balances query for your fund, choosing fiscal year 2017 through fiscal year 2019 as your dates.

2) Select Balance Sheet as your output report. The report will automatically be organized by Account Category, Account Level 0, and Account. Add Fiscal Year to the pivot table, remove Account Level 0, and move the Fiscal Year filter to the left column location in the report. The result will now be organized by fiscal year, Account Category, and Account.
3) For fiscal year 2017, add back the amount shown for the OPEB Implicit Rate Subsidy LT (#2650), the Net Pension Liability (#2606), Pension Deferred Inflows (#2123), and the Pension Deferred Outflows (#1918). This is your Beginning Net Position – July 1 for fiscal year 2018.

4) Beginning with fiscal year 2018, you will also need to add back the amounts shown for OPEB Def Inflow of Resources (#2122) and OPEB Def Outflow of Resources (#1921) to obtain your Beginning Net Position – July 1 for fiscal year 2019.

In this example, the ending fund balance for FY 2018, which includes the revenue and expenditure activity, is a credit balance of ($82,224.50). Adding back the highlighted amounts results in the ($275,442.04) total - ($82,224.50) + ($16,544.03) + ($220,161.14) + ($2,917.76) + ($1,573.98) + $323.82 + $47,655.55 = ($275,442.04).

Note: Any direct entries to your fund balances for fiscal years 2018 through 2019 that are not related to OPEB or pension liability adjustments will also need to be included in the net position entries to balance out the amounts on your Biennium Report worksheet to SABHRS.
Instructions to Convert Proprietary Funds to a Cash Basis

Income Statement Adjustments

In addition to converting your beginning and ending net position amounts to a cash basis, you will also need to adjust off the pension revenue amounts, as well as add back expenditure entries related to the OPEB and pension liabilities, to reflect a cash basis income statement.

Step #2 – Back Off Revenues and Expenses Related to OPEB and Pension Liability Entries:

You can use the same Account Balances report generated in Step #1 and just select the Income Statement tab after the report run is completed. This provides the revenue and expense amounts that you can use to complete the amounts in the proprietary table. Note: You can also run the Revenues/Expenditures workbook and obtain the same results.

For the Income Statement report, add Fiscal Year and Account Level 1 filters to the pivot table and remove Account Level 0. Results will be organized by fiscal year when you move this column to the left in the report.

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Acct Lvl 1</th>
<th>Acct Lvl 2</th>
<th>Ledger</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>520000 Charges For Services</td>
<td>(12,275.16)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>61000 Personal Services</td>
<td>(236,466.49)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>61100 Salaries</td>
<td>(160,844.89)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>61400 Employee Benefits</td>
<td>(71,122.60)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>61900 Personal Services-Other</td>
<td>(4,499.00)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>62000 Operating Expenses</td>
<td>(453,345.85)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>62100 Other Services</td>
<td>(149,889.57)</td>
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<td></td>
</tr>
<tr>
<td>62200 Supplies &amp; Materials</td>
<td>(7,194.99)</td>
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<tr>
<td>62300 Communications</td>
<td>(256,779.00)</td>
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<tr>
<td>62400 Travel</td>
<td>(4,042.76)</td>
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</tr>
<tr>
<td>62500 Rent</td>
<td>(17,170.97)</td>
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</tr>
<tr>
<td>62800 Other Expenses</td>
<td>(18,268.56)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>(12,275.16)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Exclude the following amounts by unchecking these accounts in the Account drop down box:

- NonER Pension Revenue - #581212
- OPEB Contribution Expense - NB #61432
- Pension Contribution Offset - NB #61433
- Other Post Employment Expense - #6A001
- Pension Expense - NB #6A002
- OPEB Contribution Offset - NB #6A003
Use the revenues and expenses from this report to complete your 2023 Biennium Report on Internal Service Fund and Enterprise Funds worksheet for fiscal years 2018 through 2019. If your spreadsheet is prepared prior to fiscal year-end 2020, then use your most up-to-date projections through fiscal year-end.

For fiscal year 2021, use your approved 2021B budget. If there have been substantial changes to the budgeted revenues and/or expenses, then use your most up-to-date projections for these amounts.

For fiscal years 2022 and 2023, build in your proposed revenues and expenditures.

### 2023 Biennium Report on Internal Service and Enterprise Funds

<table>
<thead>
<tr>
<th>Fund</th>
<th>Fund Name</th>
<th>Agency #</th>
<th>Agency Name</th>
<th>Program Name</th>
<th>Actual FY 18</th>
<th>Actual FY 19</th>
<th>Estimated FY 20</th>
<th>Estimated FY 21</th>
<th>Proposed FY 22</th>
<th>Proposed FY 23</th>
</tr>
</thead>
<tbody>
<tr>
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</tbody>
</table>

#### Operating Revenues

- **Fees and Charges**
  - Charges for Services: 677,537, 687,079, 682,240, 687,153
- **Total Operating Revenues**: 677,537, 687,079, 682,240, 687,153

#### Expenses

- **Personal Services**: 206,486, 205,316, 206,375, 205,761
- **Other Operating Expense**: 453,348, 518,455, 490,833, 469,760
- **Total Operating Expense**: 669,832, 723,831, 747,208, 745,521

#### Operating Income (Loss)

- (12,275), (74,692), (54,968), (53,300)

#### Change in Net Position

- (12,275), (74,692), (54,968), (53,300)

#### Beginning Net Position - July 1

- 263,031, 276,442, 200,750, 145,782
- **Prior Period Adjustments**: 4,686, - , -
- **Change in Net Position**: (12,275), (74,692), (54,968), (53,300)

#### Ending Net Position - June 30

- 275,442, 200,750, 145,782, 87,414

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**Step #3 – Working Capital Analysis**

For internal service funds only, use the Balance Sheet Report created in Step 1 to complete the Working Capital and Fees Commensurate Analysis spreadsheet. Enterprise funds do not need to complete this spreadsheet.

For state budgetary and rate calculation purposes, working capital is defined as the amount of cash that would remain if all the current assets were converted and all the current liabilities paid. Building, building improvements, depreciation, inventories, and long-term investment amounts are excluded from this analysis, as well as OBEP, pension, and other long-term liabilities.
For fiscal years 2018 and 2019, complete the table using the amount of current assets and current liabilities identified in the above step. The table will automatically calculate your working capital and then compare it to the 30-day or 60-day cash requirement to fund operations.

For fiscal years 2020 through 2023, the worksheet uses the working capital amount from FY 2019 and then adds or subtracts the estimated change in net position from the Biennium Report worksheet.